



**2015 SESSION**

**ADDITIONAL DOCUMENTS**

**Business Page**

**[Signed by Chairman]**

**Roll Call**

**Standing Committee Reports**

**Tabled Bills**

**Fiscal Reports**

**Rolls Call Votes**

**Proxy Forms**

**Visitor Registrations**

**\*Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

**\*Witness Statements that were not presented as exhibits.**

**Montana Historical Society Archives**

**225 N. Roberts**

**Helena MT 59620-1201**

**2015 Legislative**

**E-Document Specialist Susie Hamilton**

**BUSINESS REPORT**

**MONTANA SENATE  
64th LEGISLATURE - REGULAR SESSION**

**SENATE NATURAL RESOURCES COMMITTEE**

**Date:** Monday, February 16, 2015  
**Place:** Capitol

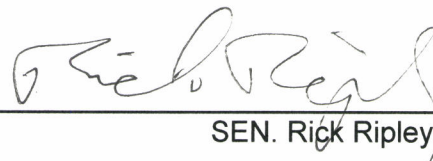
**Time:** 3:00 PM  
**Room:** 303

**BILLS and RESOLUTIONS HEARD:**

SB 218 - Increase bond for certain metal mines - Sen. Mary Sheehy Moe

**EXECUTIVE ACTION TAKEN:**

**Comments:**

A handwritten signature in cursive script, appearing to read "Rick Ripley", is written over a horizontal line.

SEN. Rick Ripley, Vice Chair

This is roll call for Senate Natural Resources  
Feb 16<sup>th</sup> 2015

**MONTANA STATE SENATE**  
***Roll Call***  
**NATURAL RESOURCES COMMITTEE**

DATE: Feb 16<sup>th</sup> 2015

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
SENATOR RICK RIPLEY, VICE CHAIR	X	
SENATOR CHRISTINE KAUFMANN		X
SENATOR DUANE ANKNEY	X	
SENATOR JOHN BRENDEN	X	
SENATOR PAT CONNELL	X	
SENATOR JENNIFER FIELDER	X	
SENATOR BRADLEY MAXON HAMLETT		X
SENATOR BRIAN HOVEN		X
SENATOR JIM KEANE		X
SENATOR CLIFF LARSEN		X
SENATOR MIKE PHILLIPS	X	
SENATOR CHAS VINCENT, CHAIR	X	



**MONTANA STATE SENATE**  
**Visitors Register**  
**SENATE NATURAL RESOURCES COMMITTEE**

**Monday, February 16, 2015**

**SB 218 - Increase bond for certain metal mines**

**Sponsor: Sen. Mary Sheehy Moe**

**PLEASE PRINT**

Name	Representing	Support	Oppose	Info
Shanti Siaperas	(on behalf of Hard Rock Mining counties) MT Assoc. of Counties		X	
Bruce Farling	MT. TRAIL Unlimited	✓		
Joe Gotkoski Pres.	Montana Rivers	✓		
Bonnie Gestring	EARTHWORKS	✓		
John DeBment	MDEQ			X
Mark Agones	Montana TV	✓		
MARISSA Lencioni	MUIC	✓		
JOHN BORGES	RESA/MSA	✓		
Steve Gilbert	SELF	✓		
Anna Lindstrand	SELF	X		
Tom Reed		X		
DAVID VAN TIGHEN	SELF	X		
Jahe Brown	MTPIRG	✓		
Jim Jensen	M.E.I.C.	X		
Katie Cad	self	X		
<del>Deborah Gross</del>	<del>SELF</del>	X		
Leonard Wortman	Jefferson County		X	
Dan Happer	SELF		X	
Derf Johnson	MEIC	X		
RR FEEBACK	CR MONTANA		X	
Chris Marchion	Anaconda Sportsmen	X		
Sam Albedergien	Montana Sportsmen's Alliance	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.



## SENATE NATURAL RESOURCES COMMITTEE

Sponsor: **Sen. Mary Sheehy Moe**

**PLEASE PRINT**

[illegible]

**Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.**

Date: 2/16/15Bill No. SB 218

Testimony in favor of SB 218.  
Curtis G. Thompson, Great Falls, MT

February 16, 2015

Mr. Chairman and Members of the Committee.

My name is Curtis Thompson. I am a Montana native and reside in Great Falls. My ancestors, Everett and Elizabeth Carlson, homesteaded in the heart of the Smith River Canyon in the 1930's. The Smith River has been a part of my life since birth. Several decades ago, I inherited the property. Since that time, I can safely say that I have freely facilitated access to the heart of the Smith River canyon on a scale which none other can claim. Annually, I provide access to hundreds of people.

Over the past three (3) decades, I have observed more and more people discover and enjoy this treasure we call the Smith River Canyon. It's fragility cannot be over-stated. The pressure of increased floating, recreation and irrigation has taken its toll on fishing, water quality, solitude and other attributes. Still, the Smith River remains a viable Montana river, albeit diminished from prior decades.

To be clear, if the bill before you invoked the question of whether the proposed mine - the proposed copper mine at Sheep Creek at the headwaters of the Smith River - should or should not be allowed, my testimony today would be geared toward militant resistance.

But, the question posed by SB 218 is whether the people of Montana, acting through you, will require adequate protection in the event the mining project proceeds.

What is adequate protection?

Time and again, Montana has seen mining projects, which always commence with assurances of environmental safety, and then result in disastrous and permanent destruction of qualities of this State we hold dear. The Rock Creek project - west of Missoula near the Idaho border. The Zortman-Landusky mine - near Fort Belknap.



Mining east of Great Falls - the Sand Coulee area - mining which essentially ceased over 50 years ago - left its legacy in Sand Coulee Creek. Still today, a past time of children involves placing a plastic bucket in the Creek to see how long it takes to dissolve.

Though long dormant, the Barker Hughesville Mining District near Neihart, Montana, remains on the EPA's list of most polluted sites in the country. The legacy of mining impact is all too evident in the history of Butte and Anaconda and elsewhere throughout the State.

As a waterway, the Smith River is very unique. It is unique in a sense which goes to the very heart of the question, what is adequate protection. Some of you may have floated the river, others received reports.

For 64 miles, the Smith River travels and weaves through a limestone canyon. On the east bank, there are virtually no roads by which to access the river in the canyon. On the west bank, access may be gained by road at roughly four (4) private locations. And, those access points are not interconnected. The terrain - the towering cliffs - 500 - 800 feet tall - on both sides of the river - preclude access.

So, in the event the acidic mine drainage and the attendant poisons - which appear to be inherent in operations of this nature - enter Sheep Creek and enter the Smith River - how is that remedied? Most of the Smith River canyon is accessible only by float boat or canoe. It is virtually impossible to access the Smith River for cleanup in the event of contamination.

It should be noted that often times the seepage and pollution does not make itself known until years after a mining operation ceases. And, the money from prior bonds in mining operations has repeatedly proven to be inadequate to remedy the destruction.

An example is the Formosa Mine, Oregon. A Canadian company posted a bond of \$900,000. Roughly 5 years after the Company shut down the mine (1993), the mine started producing acidic discharge rendering downstream waterways murderous for salmon and other species. As of April of 2014, taxpayer money devoted to attempting to alleviate the pollution from the Formosa Mine totaled over \$3,000,000, and it is continuing.



According to the Government Accounting Office - from 1997 to 2008, federal agencies alone spent \$2.6 billion toward reclaiming hard rock mining operations.

So, when we consider the question of “what is adequate protection” - we must be guided by the past. Do we repeat those mistakes which ultimately involve expenditure of vast sums of taxpayer money to clean up after the company has moved on with its profits? Do we pause to recognize that past models and experiences may not be accurate indicators as applied to the Smith River given its unique and generally inaccessible setting?

Time and again, the bond required to assure water quality in connection with mining operations has proven grossly inadequate. Senate Bill 218 imposes a bond requirement of 150% of the estimates made to assure water quality. Based on past history, even this seems inadequate. But if that is the best we can do - if that is the question today - as representatives of the people of the State of Montana, can we really accept anything less? I implore you to protect the Smith River to the best of our ability and vote in favor of SB 218.

Thank you for your kind attention.

Curtis G. Thompson  
140 Highwood Drive  
Great Falls, MT 59404  
Telephone: 406-727-1392

Chairman, Members of the Committee,

I'm here on behalf of SB 218. This bill is very simple. It's about who should pay to clean up after mining – the mining company or the public?

1) Montanans are already paying millions for existing modern mines that failed to provide adequate bonds to cover clean-up costs, particularly the cost of treating water.

At the Beal Mine near Anaconda, roughly \$12.8 million in public funds has already been spent,<sup>1</sup> and another \$22.5 million in public funds has been spent at the Zortman Landusky mine in north Central Montana.<sup>2</sup>

Over the last five years, an average of \$1.5 million in annual water treatment costs at Zortman Landusky has been paid for with public funds<sup>3</sup> - the cost of paying the salaries of 33 teachers. And, there's no end in sight to these costs, because water treatment will be required for the foreseeable future at these sites.

2) Some may claim that inadequate bonding is a thing of the past, but that isn't the case. Modern mines in Montana continue to be under-bonded, putting the State and public at an unacceptable level of financial liability. The Troy and the Montana Tunnels mines are two examples:

- The existing bond at the Troy mine is \$12 million, yet the liability for cleanup is estimated at \$29 million – a shortfall of \$17 million.<sup>4</sup>
- The existing bond at the Montana Tunnels mine is \$18.6 million, although the estimated clean-up liability is \$33.6 million – a shortfall of \$15 million.<sup>5</sup>

3) This bill is important because it focuses on mines with sulfide mineralization. These are the mines most at risk for long-term water quality problems – particularly acid mine drainage. Acid mine drainage is difficult to predict during mine permitting. A 2006 study by a Butte mining engineer reviewed hardrock mines throughout the west to see what water quality problems were predicted during the permitting process, and what water quality impacts actually occurred during operations. It found that 100% of the mines were predicted during the permitting process to experience no water quality impacts, and yet 76% of those mines resulted in water quality impacts.<sup>6</sup> The numbers become even more significant with mines at risk of acid mine drainage

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<sup>1</sup> U.S. Forest Service, Annual Beal Mountain Reclamation Update by Bob Wintergrerst, July 2014.

<sup>2</sup> MTDEQ, Funding summary of Zortman Landusky expenses from 1999-August 2014, provided by Tom Livers, DEQ Director.

<sup>3</sup> Spectrum Engineering, Zortman and Landusky Reclamation Project, Monthly Summary for Invoice 2014108, March 2014.

<sup>4</sup> U.S. Forest Service, Memorandum from Bobbie Lacklen USFS to Herb Rolfes MTDEQ, Troy Mine Bond Line Items, April 10 2013.

<sup>5</sup> MTDEQ, Copy of 2015 Legislative Request – Operating Reclamation Bonds, February 2016.

<sup>6</sup> Kuipers, J.R., Maest, A.S., MacHardy, K.A., and Lawson, G. 2006. Comparison of Predicted and Actual Water Quality at Hardrock Mines: The reliability of predictions in Environmental Impact Statements.

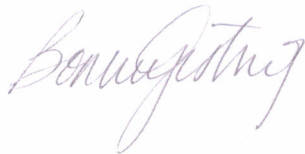
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and near water. In those cases, 92% resulted in impacts to water. Mines with as little as .2% sulfide can result in acid mine drainage.<sup>7</sup>

This bill will protect the state and taxpayers from considerable financial liability.

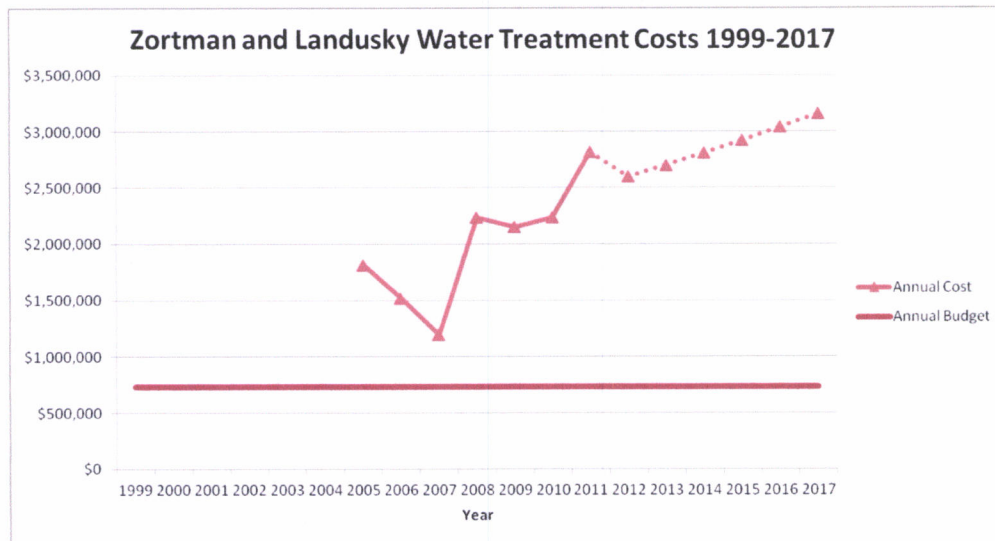
We urge support for SB 218.



Sincerely,  
Bonnie Gestring  
EARTHWORKS  
Missoula, MT 59801  
406-549-7361

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<sup>7</sup> White III, Lapakko and Trujillo, "Progress of BLM-funded acid mine drainage research, September 2002.





Testimony on SB218  
Senate Natural Resources  
February 16th, 2015

Additional Documents  
SENATE: Natural Resources  
Date: 2/16/15  
Bill No. SB 218



PO Box 595, Helena, MT 59624  
406.443.3949

Chairman Vincent and members of the committee,

[www.mtaudubon.org](http://www.mtaudubon.org)

My name is Amy Seaman and I am here representing over 5,200 Montana Audubon members in support of SB 218.

One of the greatest environmental risks we take as a people throughout the world is allowing the mining of ore bodies known to contain sulfide mineralization – a material we are all, believe it or not, familiar with, as many of us have likely before seen pyrite, also known as "fools gold" (containing iron sulfide). When rock containing this material is exposed to the weathering process - mostly water in the form of precipitation - a strong acid, sulfuric acid is formed and as it moves through the water cycle this acid will leach heavy metals (lead, arsenic, copper etc.) from exposed rock. Acid leaching of metals tied up in pulverized mined rock is analogous to water straining the caffeine from coffee grounds. As these heavy metal laden waters (known as acid mine drainage) move through our wetlands, streams, and rivers, they often leave a yellow to reddish orange precipitate on the river bottom known as yellowboy. This is deadly to most aquatic life through impacts on water acidity, the presence of heavy metals, and the destruction of the stream or river bed. Once occurring, this process is essentially impossible to reverse – as we have seen in British Columbia, all around the east and mid-Atlantic, and of course close to home with the famed Berkley pit.

And how can bonding make a difference? When acid mine drainage destroys a body of water the local people's water supply, local outdoor recreation economy, and wildlife can be permanently decimated. This intangible cost the mine cannot offset, but they can and should be expected to demonstrate their ability to shoulder the actual and expected cost of acid mine drainage cleanup that is often necessary in perpetuity. When bonds are insufficient abandoned mines are left as a liability to all taxpayers, and to their children and children's children. The federal and state government is left to foot the bill, and ensure the reclamation process is fulfilled.

And, as a quick example to demonstrate the need for all exploration licenses or operating permits involving sulfide mineralization to have appropriate bonding, I just want to point out that the size of the mine does not necessarily indicate the potential harm to the environment. For example, a small, 13 hectare, mine on the Tsolum river on Vancouver Island was mined for copper by the Mt Washington Copper Mining Co. for three years, 1964-1966. Despite the small size, over 360,000 tonnes of ore were removed. When the mine was abandoned without sufficient monies for cleanup, local fisheries declined by 90% and local people were strapped with a 60 million dollar bill.

And I know many people want to praise Montana for being able to do things differently, but the fact of the matter is that everywhere rocks containing sulfide minerals are mined, acid-mine drainage is sure to follow. Montanan's have already footed a large part of the cleanup bill for the Zortman Landusky Mine and the Beal Mountain Mine, and we know the Troy mine and Kendall Mine are grossly under-bonded.

During times like these it is important to remember that we will never be able to retire working to protect ourselves from the Berkley pit. It is also important to remember that it is the public policy of this state to provide a comprehensive program for the prevention, abatement, and control of water pollution. This is a step in that direction.

For these reasons we strongly urge a do-pass on SB 218. Thank you.